

Government of the District of Columbia
Department of Insurance, Securities and Banking



TARGET MARKET CONDUCT EXAMINATION REPORT

OF

Aetna, Inc.

AS OF

June 18, 2019

Honorable Stephen C. Taylor
Insurance Commissioner
Department of Insurance, Securities and Banking
1050 First Street, NE, Suite 801
Washington, DC 20002

Commissioner Taylor:

Per your request, a limited scope target market conduct examination has been performed on:

Aetna, Inc.

NAIC GROUP CODE 0001

The examination was primarily conducted off-site. Interviews were conducted in Aetna, Inc.'s office in Blue Bell, Pennsylvania. The report of such examination is herein respectfully submitted.

Sincerely,

Mark Plesha

Mark Plesha, AIE, MCM, CPCU, CWCP, AIS, IR

Examiner-in-Charge

Market Conduct

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SCOPE OF EXAMINATION

The District of Columbia Department of Insurance, Securities and Banking (DISB) assigned INS Regulatory Insurance Services, Inc. (INS) to conduct a limited scope target market conduct examination of Aetna, Inc. (Aetna or Company).

The purpose of this limited scope target market conduct examination was to review the Company's response to a Health Insurance Portability and Accountability Act (HIPAA) breach that occurred on or about July 28, 2017. The examination included a review of documents and materials related to the subject mailing where the HIPAA breach occurred and included a visit to Aetna, Inc. at the Blue Bell, Pennsylvania location, where compliance, privacy and legal personnel were interviewed.

The following report provides a detailed review of the timeline of events and the Company's responses. In addition, the report provides a current status of activity, which at this time would be categorized as mitigating damages and preventing further harms.

As of the date of this report, there is pending litigation that will ultimately settle the issues of liability for the HIPAA breach. Since the examiners did not interview the vendor who processed the mailing list and mailed the letters, nor the legal firm which represented the plaintiffs in the class action lawsuit against Aetna, and because the DISB does not have clear regulatory authority over those entities, this report is exclusively focused on Aetna's involvement and responses.

COMPANY PROFILE

Aetna Health Inc., a Pennsylvania corporation (AHI-PA) (NAIC #95109)

AHI-PA was incorporated in the Commonwealth of Pennsylvania on May 7, 1981 and acquired the net assets and operations of a prepaid health care plan, which had operated as a health maintenance organization (HMO) in southeastern Pennsylvania since 1976. AHI-PA commenced HMO operations in Pittsburgh in 1987 and in central Pennsylvania in 1994.

In March 2002, AHI-PA changed its name from United States Health Care Systems of Pennsylvania, Inc. to Aetna Health of Pennsylvania, Inc., and then to Aetna Health Inc. in May 2002.

AHI-PA is a wholly-owned subsidiary of Aetna Health Holdings, LLC, whose ultimate parent is Aetna Inc.

AHI-PA is also licensed in the following states: Alabama, Arizona, Colorado, District of Columbia, Delaware, Illinois, Indiana, Kansas, Kentucky, Maryland, Massachusetts, Missouri, Nebraska, Nevada, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Virginia, Washington and West Virginia.

Aetna Life Insurance Company (ALIC) (NAIC #60054)

In 1850, ALIC, a subsidiary of the Aetna Fire Insurance Company (Aetna Fire), commenced business as the Annuity Fund.

In May 1853, Aetna Fire obtained a charter amendment that recognized the incorporation of the Annuity Fund as ALIC, its present title.

On December 30, 1964, as a result of a corporate reorganization, ALIC transferred its majority interest in The Aetna Casualty and Surety Company (Aetna Surety) to a trust for the benefit of ALIC's stockholders.

Effective December 29, 1967, ALIC became a wholly owned subsidiary of Aetna Life and Casualty Company (AL&C), pursuant to an exchange of all of its common stock for an equal number of shares of AL&C. Simultaneous with the exchange of stock, Aetna Surety merged into AL&C, with AL&C as the surviving entity.

Aetna, Inc. (AICT) ("*Old Aetna*") was incorporated in Connecticut on March 25, 1996, to reorganize and align Aetna Services, Inc. (Aetna Services), formerly AL&C, and Aetna U.S. Healthcare, Inc. (AUSHI), formerly U.S. Healthcare, Inc., in accordance with the terms of the Agreement and Plan of Merger dated March 30, 1996. The merger, accounted for as a purchase, was consummated on July 19, 1996.

On April 2, 1996, AICT and its subsidiaries (the Group) sold its property-casualty operations to an affiliate of The Travelers Insurance Group, Inc.

On July 15, 1998, AICT acquired New York Life Insurance Company's NYLCare health business (NYLCare).

On August 6, 1999, AICT acquired The Prudential Insurance Company of America's (Prudential) health care business.

On December 13, 2000, AICT ("*Old Aetna*") spun-off AUSHI to its shareholders. Simultaneous with that transaction, AICT was acquired by ING America Insurance Holdings, Inc., (ING) a subsidiary of ING Groep N.V. of the Netherlands. AUSHI subsequently changed its name to Aetna, Inc. (Aetna) ("*New Aetna*"), a Pennsylvania corporation. ALIC is a for profit stock corporation.

ALIC is licensed as a life and accident and health company in all 50 states including the District of Columbia, Guam, Northern Mariana Islands, Puerto Rico and Virgin Islands.

EXAMINATION FACTS AND FINDINGS

During the examination, the examiners verified the following facts surrounding the HIPAA breach:

Activities prior to July 28, 2017 (date the HIPAA breach letters were mailed):

1. Aetna, Inc. was involved in class action litigation (*Doe, et al. v. Aetna, Inc., et al.*, Case No. 3:14-cv-02986-LAB-DHB). On February 23, 2017, the Settlement Agreement was signed by the parties. Aetna entered into that Settlement Agreement to avoid the prospect and the uncertainties of litigation and to promptly resolve the issues raised in the lawsuits.
2. In the agreement, Aetna was obligated to notify affected parties via two notices:
 - A. The first notice, hereinafter referred to as a "Claims Notice" was sent to approximately 1,566 claimants nationwide (47 were sent to Aetna members, none of which went to residents of the District of Columbia; and 1,519 were sent to Coventry Health Care members, 3 of which went to residents of the District of Columbia) to advise them of an opportunity for a monetary recovery resulting from overpayment for certain HIV medications obtained at a retail pharmacy. This "Claims Notice" was a single page letter and a three-page claim form.
 - B. The second notice, a single-page later hereinafter referred to as "Notice of Change in Business Practices" was sent to 11,887 HIV-positive clients to notify them that certain HIV medications may be purchased at retail pharmacies in addition to mail order pharmacy services. This mailing positioned the HIPAA-protected verbiage where it could, in some cases, be seen through the envelope's window (Breach). Of those, 11,887 claimants nationwide (390 of which are residents of the District of Columbia) were impacted by the breach.
3. There were 390 District of Columbia residents impacted by this breach. The following chart provides the breakdown by product:

Plan Type	DC Residents
Open Access	161
PPO Medical	226
HMO	2
Rx (Pharmacy)	1
Total	390

4. There were a total of 103 Coventry Health Care members who received the "Notice of Change in Business Practices"; none were DC residents. It was later determined that none of those members were impacted by the breach because the Coventry logo was larger, which positioned the HIPAA-protected verbiage where it could not be seen through the envelope's window (Exhibits 1, 2 & 3).
5. The vendor, Kurtzman Carson Consultants, LLC (KCC), was recommended by plaintiff counsel, Whatley Kallas, LLP, and approved by Aetna and Aetna's counsel Gibson, Dunn & Crutcher, LLP (GDC) to send both notices, as it appeared that KCC had expertise in

mailing correspondence associated with class action litigation. Whatley Kallas & GDC jointly and separately communicated with KCC.

6. On May 10, 2017, GDC and Whatley Kallas, LLP received an initial proposal from KCC setting out the scope and costs for sending out the “Claim Notice” and “Notice of Change in Business Practices”.
7. On May 23, 2017, GDC and Whatley Kallas, LLP received a revised proposal from KCC (Exhibit 4). The proposal states:
 - A. In the Administrative Services Estimate (Exhibit 5) that the 1-page “Notice of Change in Business Practices” would be mailed in a “#10 Envelope” while the 3-page claim form (“Notice Packet”) would be mailed in a “#10 Window Envelope”.
 - B. This proposal also provides, in the **LEGAL NOTIFICATION – Print and Mail Notice Packet** section, “Additionally, we will send a 1-page Notice and a 3-page Claim in a #10 envelope to the following...” (Exhibit 6). No mention is made as to what type of envelope would be used to send the 1-page “Notice of Change in Business Practices”.
 - C. The proposal only required the signature of the plaintiffs’ counsel and KCC (Exhibit 7).
8. On May 24, 2017, in order to carry out the mailing, Aetna provided information that included a list of the names and addresses of the 11,887 affected members to GDC. That same day, GDC forwarded that member list to KCC.
9. On Friday July 28, 2017, KCC sent the Claims Notice to the 1,566 claimants in #10 Window Envelopes, without any unusual incidents.
10. On Friday July 28, 2017, KCC sent the Notice of Change in Business Practices to the 11,990 (11,887 from Aetna and 103 from Coventry) individuals in #10 Window Envelopes.

Activities immediately following July 28, 2017 (date HIPAA breach letters were mailed):

11. Executive Director & Senior Privacy Counsel of Aetna received an e-mail from her General Counsel at 10:21 PM on Monday, July 31, 2017. The e-mail contained a picture of the envelope used to send the notice of change in business practices to an Aetna member. It showed that HIPAA-protected information was visible through the window of the envelope. (Exhibit 8)
12. Also on July 31, 2017, the Chief Executive Officer received an e-mail from a different member voicing their displeasure with the mailing.
13. On July 31, between 10:21 pm and 11:17 pm, the Executive Director contacted Aetna’s pharmacy attorney, the Chief Privacy Officer, corporate communications and a litigation attorney to immediately begin analysis of the situation.
14. On Tuesday, August 1, 2017, Aetna notified KCC to immediately cease mailing the “Notice of Change in Business Practices”.
15. KCC advised Aetna on August 1, 2017 that all of the “Claim Notices” and all of the “Notice of Change in Business Practices” had been mailed on Friday, July 28, 2017.
16. From July 31 to August 2, 2017, Aetna conducted an investigation into the matter. As part of the investigation, Aetna obtained samples of the Benefit Notice and the window

envelope used for the mailing, and confirmed that the letter could be shifted within the envelope in a manner that allowed the words “HIV medication” to be seen through the window. In response to calls from certain members who claimed that other individuals had or may have seen the words “HIV medication” through the envelope’s window and before Aetna concluded whether the incident constituted a HIPAA breach, Aetna staffed a private, live answer, 24/7 clinically (LCSW)-staffed toll-free number to assist members who wanted to speak with a counselor. Additionally, Aetna conducted outreach calls to all members who contacted Aetna regarding the incident prior to the time the clinically-staffed team was established. For all members that contacted Aetna between July 31 and August 2, a team of Aetna behavioral health clinicians made up to three attempts to call each of these members. After verifying member identity through proper privacy verification procedures, Aetna apologized for the incident and provided multiple forms of assistance, including, but not limited to, connecting members to medical case management; behavioral health case management or other resources to mitigate triggering stress events, offers of assistance to affected family members; referrals to resources for relocation assistance; information about how to talk to family and friends about HIV; counseling services to members, including three face-to-face counseling sessions with local counselors; and offers to check on members about how they are doing, if appropriate.

17. On August 2, 2017, Aetna concluded that the incident constituted a breach under the HIPAA regulations.

Activities since determination of the HIPAA breach

18. On or about August 2, 2017, Aetna commenced several mitigation and remediation efforts relating to the breach. These efforts included (i) terminating KCC as settlement administrator and demanding that KCC transfer the member information in its possession through a secure website to a replacement vendor, (ii) auditing all litigation counsel, experts and litigation support vendors to ensure that business associate agreements are in place wherever required, (iii) developing revised policies regarding the handling of protected health information in litigation and (iv) conducting a review of existing policies and procedures governing printing and fulfillment services relating to member communications. Aetna also contracted a third-party vendor named Navigant to sweep KCC’s systems of all Policyholder Information (PHI). Navigant also collected all materials with PHI and belonging to Aetna from KCC. Navigant will maintain control of all information supplied to KCC by Aetna, pending any litigation.
19. Three plan sponsors were notified on August 8-9, 2017. Two were self-insured groups who have contract language that required Aetna to notify of any incidents, the third plan sponsor was a Federal Employee Plan Sponsor. The potential breach created a series of issues related to who is covered under plan sponsors. Decision trees were established to determine how to respond to sponsor inquiries. No identifying information was included in these notifications.
20. On August 23-25, 2017, Aetna notified affected members about the breach in accordance with HIPAA. The notification letters were sent in approximate batches of 4,000 on each of the following days: August 23, August 24 and August 25. Aetna had an Aetna employee

at the preferred Aetna vendor's (ARNA Marketing Group, Inc.) facility to oversee the process by which information was mailed and to conduct ongoing quality assurance reviews. The notification letter provided that members with questions could call 800-326-5608, which is toll-free and operates 24 hours per day, seven days per week. At the time of the first member breach notifications, Aetna withheld notice from 589 members whose addresses were originally identified by Aetna as undeliverable. These individual member mailings are addressed below under item #23.

21. On August 29, 2017, as required by HIPAA, Aetna notified the Office for Civil Rights of the U.S. Department of Health and Human Services. This notification to the Secretary of HHS stated the reason for the initial mailing, explained the breach and its cause, and Aetna's corrective actions.
22. On August 30, 2017, as required by HIPAA, Aetna notified media outlets in the seven states where more than 500 affected members resided. This News Release told of the breach, how it occurred, stated that no Social Security, bank account or credit card information was involved in this mailing issue, and contained an apology from the company.
23. On September 14, 2017, Aetna mailed breach notification letters to 549 of the 589 members originally identified by Aetna as undeliverable (as indicated in #20 above) via a certified and restricted mailing. Under this process, a letter is not delivered unless the intended recipient signs for it in person. For the remaining members, 19 had District of Columbia addresses, Aetna did not have what they consider to be complete or deliverable addresses. Of the nineteen, eleven letters were returned to Aetna. Analysis was then done on the zip codes of the last address had for the members and a substitute notice was made by publishing legal notices in prominent newspapers in those zip codes. There were ten members with international addresses. They were deemed "undeliverable" by US Postal Service because they were international. These members were sent notices via international mail service.
24. On September 28, 2017, Aetna announced a "Program to provide immediate relief to individuals affected by the Privacy Mailing Incident" (Exhibit 9a & 9b). This announcement is on the Aetna website and the two advocacy groups that brought the Beckett lawsuit have published press releases about the program and are otherwise assisting in promotion of the program. Aetna has been in contact with various HIV advocacy groups nationwide, notably Whitman-Walker for the District of Columbia. Aetna is relying on these groups to spread the word, in case any affected claimants were unaware.
25. Through the program referenced above in item #24, Aetna is offering reimbursement and payments to individuals who claim they have incurred financial hardship as a direct result of the privacy breach (including relocation expenses), and Aetna is also providing access to counseling services for affected individuals and their families who claim they were affected. Between August 24, 2017 and September 4, 2017, Aetna received 655 phone calls, five of which came from DC residents. Of these 655, 501 were made to Aetna's Call Center, and 125 of those were escalated to the Executive Response Team (ERT). The ERT called each of these members to apologize and address their concerns specifically. Aetna also then gave the member's contact info to the EAP team who did an outbound call to

- offer EAP services to the member and anyone in their life that was impacted whether they were an Aetna member or not.
26. One hundred and five calls were made to Aetna's Executive Response Team directly, and 76 of those needed an immediate warm transfer or outbound call from the EAP Team. Forty-nine calls were made to Resources for Living team directly, an Aetna employee assistance program.
 27. On September 5, 2017, Whitman Walker Health Legal Services filed a complaint with DISB on behalf of a District of Columbia resident. The complaint alleged that Aetna violated its client's rights under HIPPA. The violation is alleged to have occurred when the envelope containing "a large clear window allowed anyone" to see the client's name, address and information about her options for filling a prescription for HIV medication. The complainant is seeking monetary damages and a change in Aetna's handling of private personal information.
 28. The Consumer Services Division of DISB sent a letter regarding the complaint to Aetna on September 18, 2017. Aetna responded on October 12, 2017. In its correspondence, Aetna stated that it took immediate steps to investigate what happened and confirmed that the vendor handling the mail used a window envelope. Aetna apologized for the exposure of the complainants' information and stated that it was treating the matter as a privacy breach under the federal Health Insurance Portability and Accountability Act.
 29. Consumer Services sent a letter to Whitman Walker Health legal services on October 19, 2017. In the letter, DISB advised Whitman Walker Health that DISB immediately ordered a market conduct examination to ascertain the full extent of the breach and that examination is currently in progress. DISB also provided the Aetna websites and contact information where the complainant can avail herself of various forms of assistance.
 30. To date, 27 state insurance departments have contacted Aetna concerning the breach.

Litigation Update

As a result of the Incident, seven class actions were filed against Aetna in various courts and ultimately consolidated in the Eastern District of Pennsylvania with the first-filed case, *Beckett, et al. v. Aetna Inc., et al.*, Case No. 2:17-cv-03864-JS ("Beckett"), which was originally filed on August 28, 2017. The consolidated actions include:

1. *S.A. v. Aetna Inc., et al.*, Case No. BC674088 (Cal. Sup. Ct. L.A. Cnty., filed Aug. 28, 2017; removed to C.D. Cal. on Oct. 2, 2017, Case No. 2:17-cv-07264-JFW-SK; transferred by agreement to E.D. Pa. on Oct. 4, 2017, Case No. 2:17-cv-04442-JS [Compl., Dkt. No. 1-3]; and consolidated with Beckett on March 28, 2018);
2. *Doe v. Aetna Inc., et al.*, Case No. 3:17-cv-05191-RS (N.D. Cal., filed Sept. 7, 2017; transferred by stipulation to E.D. Pa. on Nov. 6, 2017, Case No. 2:17-cv-05013-JS [Compl., Dkt. No. 1-1]; voluntarily dismissed on Dec. 8, 2017 after plaintiff joined Beckett through amended complaint);
3. *Doe v. Aetna Inc.*, Case No. 3:17-cv-01947-H-JLB (S.D. Cal., filed Sept. 25, 2017 [Compl., Dkt. No. 1]; voluntarily dismissed on Dec. 19, 2017 after plaintiff joined Beckett through amended complaint);

4. *R.H. v. Aetna, Inc.*, Case No. 3:17-cv-04566-MMB (E.D. Pa., filed Oct. 12, 2017 [Am. Compl., Dkt. No. 5]; voluntarily dismissed on Dec. 13, 2017 after plaintiff joined Beckett through amended complaint);
5. *Doe, et al. v. Aetna, Inc.*, Case No. 3:17-cv-01751-MPS (D. Conn., filed Oct. 18, 2017 [Compl., Dkt. No. 1]; voluntarily dismissed on Dec. 18, 2017 after plaintiffs joined Beckett through amended complaint); and
6. *Doe v. Aetna, Inc.*, Case No. 1716-CV23378 (Mo. Cir. Ct. Jackson Cnty., filed Sept. 28, 2017; removed to W.D. Mo. on Nov. 1, 2017, Case No. 4:17-cv-00929-BCW; ordered transferred to E.D. Pa. on Feb. 2, 2018, Case No. 2:18-cv-00547-JS [Compl., Dkt. No. 1-1]; consolidated with Beckett on March 14, 2018).

A consolidated complaint in Beckett was filed on December 5, 2017. The settlement was preliminarily approved by the Court on May 10, 2018. A hearing on final approval of a class action settlement in Beckett was scheduled for October 15, 2018, and the settlement was approved with no objections.

Four individual actions against Aetna as a result of the Incident are also pending, at various stages, in federal courts in New Jersey and Florida, and state courts in California. Those actions include:

7. *D.L. v. Aetna Inc., et al.*, Case No: 2:17-cv-08478-JFW-MRW (C.D. Cal., filed Nov. 22, 2017, voluntarily dismissed on Feb. 2, 2018, refiled as *D.L. v. Aetna Inc., et al.*, Case No. 30-2018-00981438-CU-PO-CJC (Cal. Sup. Ct. Orange Cnty., filed March 22, 2018)) (currently pending);
8. *Smith v. Aetna, Inc., et al.*, No. 2:17-cv-12668-JMV-CLW (D.N.J.) (filed in Sup. Ct. of N.J. Essex Cty. on Oct. 20, 2017, removed to D.N.J. on Dec. 6, 2017) (currently pending);
9. *Doe v. Aetna, Inc., et al.*, Case No. MSC17-02082 (filed in Cal. Sup. Ct. Contra Costa Cnty. on October 20, 2017, removed to N.D. Cal. on Dec. 18, 2017, ordered remanded on April 4, 2018) (currently pending); and
10. *Doe a.k.a. B.E. v. Aetna Health Inc.*, Case No. 6:18-cv-979-ORL-37-GJK (filed in Fla. Cir. Ct. Orange Cnty., removed to M.D. Fla. on June 22, 2018) (motion to dismiss granted with leave to file amended complaint).

In addition to the individual actions against Aetna, there are four actions among various parties seeking indemnification and/or contribution for damages stemming from the Incident. Aetna has brought suit against the settlement administrator, Kurtzman Carson Consultants, LLC (“KCC”), and against plaintiffs’ counsel in underlying litigation, *i.e.*, Whatley Kallas LLP (“WK”) and Consumer Watchdog (“CW”), in the Eastern District of Pennsylvania. Aetna also sought contribution and/or indemnification against WK/CW in the Superior Court of California for Los Angeles County. A special motion to strike based on California’s anti-

SLAPP statute was filed and granted, and that matter is now on appeal. Finally, a KCC-affiliate has filed suit against Aetna in the Central District of California, and that action has been stayed pending a ruling on KCC's motion to dismiss or to transfer venue in the Eastern District of Pennsylvania.

Recommendations for Enforcement Action

Based on the findings of INS, and consistent with regulatory enforcement actions in other states¹, the Insurance Bureau of the Department of Insurance, Securities and Banking recommends that the Commissioner impose a fine on Aetna in the amount of \$50,000.

¹ In January 2018, New York Attorney General Eric T. Schneiderman announced a settlement with Aetna Inc., following claims that Aetna revealed the HIV status of approximately 2,460 New York members through a mailing in July 2017 in which the envelopes' oversize transparent address window revealed text confirming the members' HIV status. As part of the settlement, Aetna will pay a \$1.15 million civil penalty; develop and maintain enhanced operating procedures with regard to privacy protections of personal health information and personally identifiable information in mailings; and hire an independent consultant to monitor and report on the settlement's injunctive provisions.

Exhibit 1



«Barcode»

Postal Service: Please do not mark barcode

Claim#: ATD-«Claim8» - «CkDig»

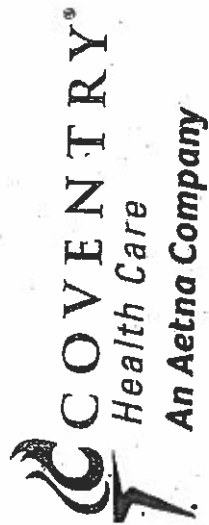
<Current Member First Name><Current Member Last name>

«Addr1» «Addr2»

«City», «St» «Zip»

Dear <Current Member First Name><Current Member Last name>;

Exhibit 2



«Barcode»

Postal Service: Please do not mark barcode

Claim#: ATD-«Claim8» - «CKDig»

<Current Member First Name><Current Member Last name>

«Addr1» «Addr2»

«City», «St» «Zip»

Exhibit 3



«Barcode»

Postal Service: Please do not mark barcode

Claim#: ATD-«Claim8» - «CkDig»

<Current Member First Name><Current Member Last name>

«Addr1» «Addr2»

«City», «St» «Zip»

Dear <Current Member First Name><Current Member Last name>:

The purpose of this letter is to advise you of the options available to you as a member of your Coventry health plan when filling prescriptions for HIV Medications. For many HIV Medications, members can use a retail pharmacy or a mail order pharmacy, regardless of how they obtain their medications today. It's the member's choice.

Retail pharmacy. Members may fill prescriptions for HIV Medications that are not on the Specialty Drug List at any in-network retail pharmacies. If members choose to fill prescriptions for HIV Medications at a retail pharmacy, they should be sure to use a pharmacy that is covered by their plan. Some Coventry commercial health plans do not provide any coverage for out-of-network pharmacies. A list of pharmacies that are in-network with Coventry is available at www.express-scripts.com/coventryhealthcare.

Express Scripts. Prescriptions for HIV Medications that are not on the Specialty Drug List may also be filled by Express Scripts, which sends medications to members through the mail. To sign up for Express Scripts, call us toll-free at 800-378-7040.

If a member is prescribed HIV Medication(s) that are on the Specialty Drug List, Coventry will fill those prescriptions through Express Scripts, unless the member calls to notify Coventry that the member would prefer to use an in-network retail pharmacy. Most, but not all, HIV Medications on the Specialty Drug List can be filled at in-network retail pharmacies.

To choose to fill HIV Medications at in-network retail pharmacies or to learn more about these delivery options, members can call Coventry at 800-378-7040. Members must initiate the call to Coventry to make any changes to the way they receive HIV Medications that are on the Specialty Drug List, but members may seek the assistance of their pharmacists during the course of those calls.

We're here to help.

If you have any questions about your pharmacy options, you can log into your secure member website or call the toll-free phone number on your member ID card.

Thank you for being a pharmacy member.

Coventry



3301 Kerner Boulevard
San Rafael, CA 94903
415.793.5900
415.892.2354
kcc@kcc.com

Exhibit 4

May 23, 2017

Alan Mansfield, Esq.
Whatley Kallas
16870 W. Bernardo Drive, Suite 400
San Diego, CA 92127

Heather Richardson, Esq.
Gibson Dunn
333 S. Grand Ave.
Los Angeles, CA 90071

Re: *Doe, et al. v. Aetna, Inc., et al.*
Class Action Settlement Administration Services Estimate - Revised

Dear Counselors,

We appreciate the opportunity to submit this revised proposal and cost estimate for class action administration services pertaining to *Doe, et al. v. Aetna, Inc., et al.*

For the purposes of this proposal, we applied the following assumptions with respect to KCC's duties:

- Print and mail a 1-page Notice of Change in Business Practices to 20,000 class members;
- Print and mail a 1-page Notice and a 3-page Claim Form to the following:
 - 48 class members that are in the Aetna insured group,
 - 84 class members that are in the Coventry insured group of 2011-2015, and
 - 1,700 class members that are in the Coventry insured specialty group;
- Conduct address searches for any Notices returned as undeliverable and re-mail to any new found address; and
- Process all claims received and issue checks to class members who submit an approved claim, as appropriate.

With experience administering more than 6,000 settlements, KCC provides high-quality and cost-effective class action administration services including pre-settlement consulting, settlement funds escrow, class member data management, legal notification, call center support, claims administration as well as disbursement and tax reporting services. We are a knowledgeable partner who proactively works with you throughout the settlement administration process and are well-positioned to handle your matter immediately.

Our domestic infrastructure, the largest in the industry, includes a 1,200-seat call center and document production capabilities that handle hundreds of millions of documents annually. Last year, our disbursement services team distributed \$500 billion to payees in the form of 29 million checks and 11 million electronic transfers.

Please contact me with any questions regarding the enclosed case assumptions and cost estimate. We will hold this proposal and estimate open for ninety days from the date of this letter. Thank you for your time and consideration.

Sincerely,

Patrick Ivie
Senior EVP, Class Action Services
KCC LLC
Tel: (310) 776-7385
Cell: (310) 795.9742
Email: pivie@kccllc.com



Exhibit 5

Administration Services Estimate

Doe, et al. v. Aetna, Inc., et al.

May 23, 2017

Patrick Ivie, pivi@kcc.com 310.776.7385

Key Assumptions Used in Estimate Preparation

Size of Class:	20,000 class members
# of Class Members to Receive Notice of Change in Business Practice:	20,000 class members
# of Class Members in the Aetna Insured Group:	48 class members
# of Class Members in the Coventry Insured Group of 2011-2015:	84 class members
# of Class Members in the Coventry Insured Specialty Group:	1,700 class members
Case Duration:	12 months
# of Electronic, Finalized Data Files Provided (Excel, Access, etc.):	1 file(s)
CAFA Notice Required?	No
Claims Processing:	Yes
Address Searches:	Yes
% of returned notices to be forwarded:	1%
% of returned undeliverable notices:	10%
% of successful address searches:	80%
Media Campaign Required:	No
English Only:	Yes
# of Email Campaigns:	N/A
Reminder Mailing:	No
Duration of Claims Filing Period:	8 weeks
Business Reply Mail ("BRM" or "pre-paid" postage):	No
% of class members that will file a claim:	10%
% of claims to file for reimbursement (submit proof):	25%
% of deficient claims filed by postal mail:	5%
Type of Telephone Support:	None
Type of Website Support:	None

SUMMARY OF COSTS

Estimated Claims Filing Rate:	10%
Estimated # of Claims Filed:	2,000
Notice Procedures	\$18,480
Claims Administration	\$14,908
Disbursements & Tax Reporting	\$7,490
Sub-Total Administration Costs	\$40,876
Plus Estimated Postage*	\$9,871
Total Estimated Cost**	\$50,746

BLENDED HOURLY RATE

KCC Blended Hourly Rate

RATE PER
UNIT

\$100.00 /hour

For purposes of this estimate, KCC has applied and will bill at a blended hourly rate of \$100 per hour to all hours estimated pursuant to the scope of work outlined above. For any work outside of this defined scope, we will apply and bill our Standard Hourly Rates, which are specified below.

NOTICE PROCEDURES	RESPONSE RATE	QUANTITY	RATE PER UNIT	ESTIMATED COST	TOTAL
Data and Forms Set-up					
- Intake and Process Data, Set up Case Management System		20 hrs	\$100.00	\$2,000	
- Format Document(s)		15 hrs	\$100.00	\$1,500	
- NCOA Updates		20,000 units		\$250	
Sub-total of Data and Forms Set-up					\$3,750
Print/Mail Notice of Change in Business Practices					
- 1-page Notice of Change in Business Practices, #10 Envelope		20,000 units	\$0.25	\$5,000	
- Print Production Management		10 hrs	\$100.00	\$1,000	
- Forwarding of Returned Mail with USPS Forwarding Addresses	1%	200 units	\$1.00	\$200	
- Data Entry for Re-mails to New Addresses		200 units	\$0.50	\$100	
- Returned Undeliverable Mail	10%	2,000 units			
- Handling of Returned Undeliverable Mail		4 hrs	\$100.00	\$400	
Sub-total of Print/Mail Notice of Change in Business Practices					\$6,700
Print/Mail Notice Packet - Aetna Insured Group					
- 1-page Notice, 3-page Claim Form, #10 Window Envelope		48 units	\$3.10	\$149	
- Print Production Management		5 hrs	\$100.00	\$500	
- Forwarding of Returned Mail with USPS Forwarding Addresses	1%	1 units	\$3.85	\$4	
- Data Entry for Re-mails to New Addresses		1 units	\$0.50	\$1	
- Returned Undeliverable Mail	10%	5 units			
- Handling of Returned Undeliverable Mail		1 hrs	\$100.00	\$100	
Sub-total of Print/Mail Notice Packet - Aetna Insured Group					\$753
Print/Mail Notice Packet - Coventry Insured Group of 2011-2015					
- 1-page Notice, 3-page Claim Form, #10 Window Envelope		84 units	\$3.10	\$260	
- Print Production Management		5 hrs	\$100.00	\$500	
- Forwarding of Returned Mail with USPS Forwarding Addresses	1%	1 units	\$3.85	\$4	
- Data Entry for Re-mails to New Addresses		1 units	\$0.50	\$1	
- Returned Undeliverable Mail	10%	8 units			
- Handling of Returned Undeliverable Mail		1 hrs	\$100.00	\$100	
Sub-total of Print/Mail Notice Packet - Coventry Insured Group of 2011-2015					\$865

COST SUMMARY & SCOPE OF SERVICES

<u>Description</u>	<u>Estimated Cost</u>
Class Member Data Management	\$3,750
Legal Notification	\$14,730
Claims Administration	\$14,905
Disbursement & Tax Reporting	\$7,490
Sub-Total Administration Costs	\$40,875
Plus Estimated Postage	\$9,871
Total Estimated Cost	\$50,746

The estimated total cost of the settlement administration as described, including approximately \$9,871 in postage, is \$50,746. The final cost of the administration depends primarily on, among other variables, the total number of claims processed.

CLASS MEMBER DATA MANAGEMENT

Data and Forms Management

We will process class member data and pre-assign a unique sequential control number to each class member that will be used throughout the administration process. Prior to mailing, the addresses will be updated using the National Change of Address System ("NCOA") to increase mail deliverability and accuracy. Our estimate assumes that the class member data will be delivered in one electronic file in a complete and accurate form.

We will format all relevant documents and will send all document proofs to you for approval prior to printing.

We will store all paper and electronic documentation received throughout the duration of the case. Upon the conclusion of the case, and absent any court orders or client requests pertaining to retention specifications, we will return or dispose of the physical materials within ninety (90) days. Any returned undeliverable mail will be disposed of within 2 days of receipt, absent any court orders or client requests pertaining to retention specifications. The storage of returned undeliverable mail will be billed as incurred.

LEGAL NOTIFICATION

Print and Mail Notice Packet

We will send a 1-page Notice of Change in Business Practices to 20,000 class members.

Additionally we will send a 1-page Notice and a 3-page Claim in a #10 envelope to the following:

- o 48 class members that are in the Aetna insured group,
- o 84 class members that are in the Coventry insured group of 2011-2015, and
- o 1,700 class members that are in the Coventry insured specialty group.

The notice packets will be mailed to class members via First Class U.S. mail. All notice packets returned by the postal service with a forwarding address will be re-mailed to the new address and the class member list will be updated accordingly.

Address Searches and Re-mails

We will track all returned undeliverable mail and conduct address searches using credit bureau information for all returned mail that does not have a forwarding address. We will re-mail to the class members for whom we locate updated address information.

Exhibit 7



Administration Services Estimate
Doe, et al. v. Aetna, Inc., et al.

May 23, 2017

Patrick Ivie: pivi@kccdc.com; 310.776.7385

OTHER SERVICES AND OUT-OF-POCKET EXPENSES

RATE PER
UNIT

Other Services and Ad Hoc Reporting, as needed or requested
Other Charges and Out-of-Pocket Costs***

(standard hourly rates)
(actual)

* Estimated Postage and Handling.

** Does not include applicable taxes or escheatment services.

*** Includes, but is not limited to long distance calls, overnight shipping, photocopies, storage, PO Box rentals, broker fees, etc.

This Class Action Administration Services Estimate and the attached Cost Summary & Scope of Services (together, the "Proposal") are valid for ninety days from 5/23/2017. After such period, KCC reserves the right to amend the Proposal (including, without limitation, by increasing fees and costs) or to withdraw the Proposal in its sole discretion.

All services to be provided to the undersigned (the "Client") and all fees and costs set forth in the Proposal are subject to the terms, specifications, assumptions and conditions set forth in the Proposal and the attached Terms and Conditions (the "Terms of Service"). The estimated fees and charges in the Proposal are based on certain information provided to KCC as well as significant assumptions. Accordingly, this estimate is not intended to limit KCC's actual fees and charges, which may be less or more than estimated due to the scope of actual services or changes to the underlying facts or assumptions.

KCC Class Actions Services, LLC

BY: _____ DATE _____

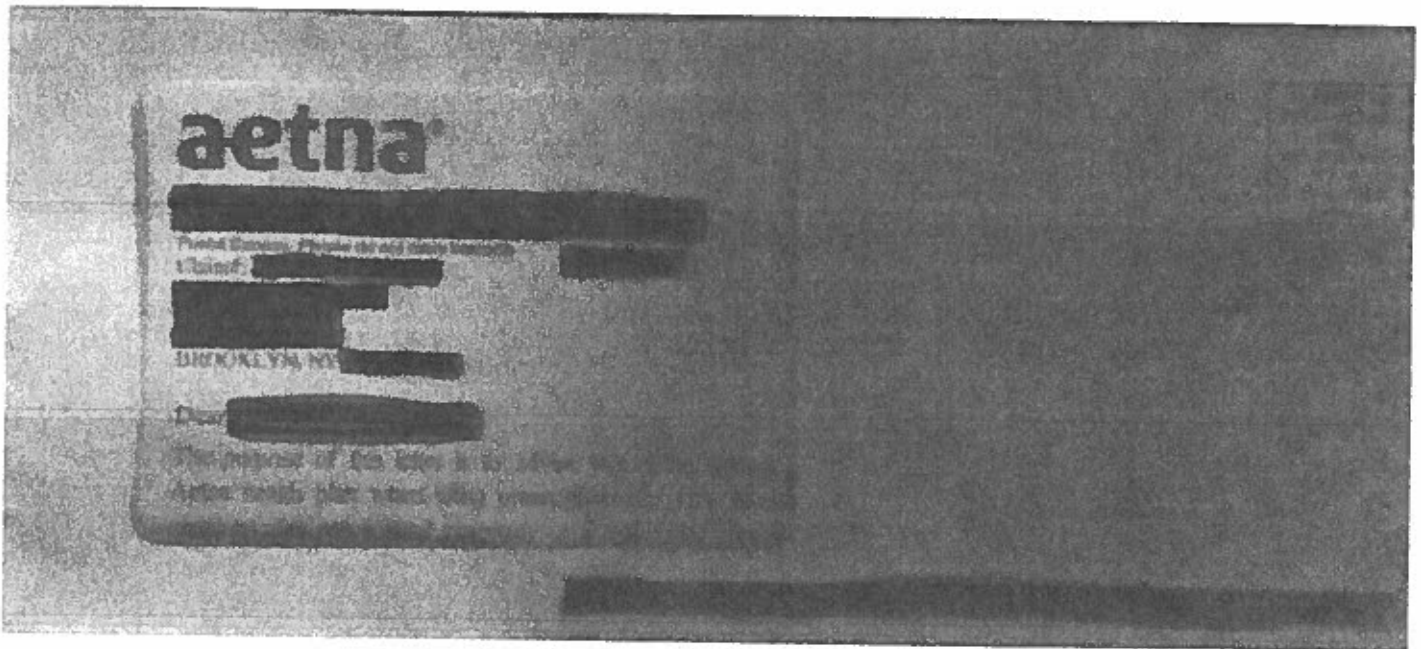
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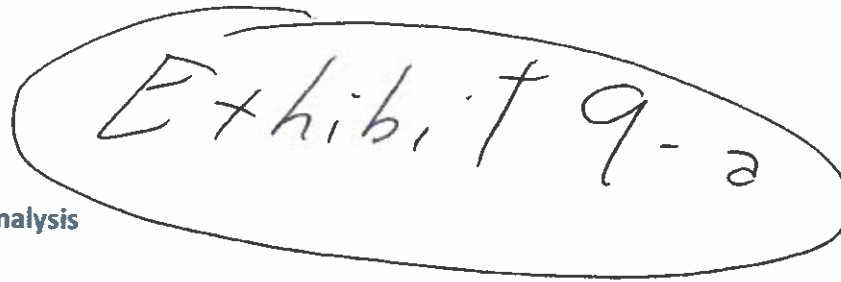
Whitney Kallas

BY: _____ DATE _____

TITLE:

Exhibit 8





Aetna News & Analysis

Aetna Announces Program to Provide Immediate Relief to Individuals Claiming to Be Affected By Privacy Mailing Incident

Sep 28 2017

Aetna has launched a program to provide immediate relief to individuals who are claiming they were affected by the inadvertent disclosure of protected health information in a July mailing regarding filing prescriptions for medications to treat or prevent HIV/AIDS.

Through this program, Aetna is offering reimbursement and payments to individuals who claim they have incurred financial hardship as a direct result of the privacy breach, and Aetna is also providing access to counseling services for affected individuals and their families who claim they were affected. You may submit forms in either or both categories.

Participate in the program or learn more information

Alternatively, please feel free to phone or email the AIDS Law Project of Pennsylvania at 215-587-9377 or the Legal Action Center (New York residents only) at 212-243-1313. These non-profit legal organizations that serve clients with HIV/AIDS have agreed to assist with the processing of requests. Determinations of requests for financial reimbursement, payments or counseling services will be made at Aetna's sole and complete discretion. Requests for financial reimbursement, payments or counseling services will be evaluated by Aetna and determinations made as quickly as reasonably possible.

Email the Legal Action Center (New York residents only)

Email the AIDS Law Project of Pennsylvania

Exhibit 9-b

Aetna is offering this program as a service to individuals who claim they have been impacted by the potential inadvertent disclosure of their personal health information and, by doing so, is not admitting any wrongdoing. All of Aetna's rights and defenses are reserved. Individuals who avail themselves of the benefits offered under this program will not release any legal claims.

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